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ABSTRACT

This paper discusses the significant political advances for disadvantaged children that have been dependent upon trends and upheavals in the economy and major social or political movements. Evidence is provided which indicates that large scale U.S. government programs are rarely based on a public concern for children, but rather on a more instrumental goal such as developing skilled workers to maintain and increase the productivity and international competitiveness of the American economy. This paper focuses on federal policy throughout the last 30 years in relation to funding for disadvantaged children. The trends are tracked through changing administrations and economics. The following sections are included: (1) "The Politics of Growth: The 1960's War on Poverty"; (2) "The Incremental Gains of the 1970's"; (3) "The 1980's and Programs for the Disadvantaged"; and (4) "Looking to the Future." Evidence indicates that programs for the disadvantaged are not sufficient to overcome the problems that these children face. Recommendations are made for program revisions and unification of efforts in the fight to turn heightened political concern about the disadvantaged into political action. Three tables, one figure, and 16 references are included. (JS)

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POLITICS OF GOVERNMENT EFFORTS TO IMPROVE THE DISADVANTAGED*

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Introduction

Significant political advances for disadvantaged children depend primarily upon trends and upheavals in the economy and major social or political movements. The depression of the 1930s galvanized huge federal efforts to relieve the suffering of the poor. The civil rights movement's success in the 1960s was a crucial event that created a climate of opinion favorable for government programs targeted at disadvantaged children. Recent changes in job requirements and the labor force stimulates new concern for the productive potential of disadvantaged children. This may translate into government interventions designed to upgrade the skills of those who do not meet the minimum threshold for employment skills in a rapidly changing economy.

It is doubtful that increased government programs will be justified by societal concern for the plight of children trapped in a cycle of poverty. Large scale U.S. government programs are rarely based on a public concern for children, but rather on a more instrumental goal. Grubb and Lazerson (1982) build a strong case that future government programs for the disadvantaged will rarely amount to more than incrementalism. Government children's

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programs are designed to make up for parental failure because the U.S. believes children are basically a private responsibility. Major government responsibility should be based primarily on such overwhelming evidence of family disorganization and collapse that justifies the government removing the child from the parents through foster care or incarceration (termed parens patriae). This leaves out children of the working poor or near poor whose school performance is at the bare minimum. The assumption that the state is responsible for deficient and neglected children of undeserving parents makes it difficult to provide generous public benefits.

> In Aid to Families with Dependent Children, the basic income support program designed for children, the antipathy to 'welfare queens,' deserting fathers, and 'welfare bums' -- the parents who are considered undeserving -- has consistently emerged as hostility to funding welfare programs that would support those parents, but this hostility has unavoidably hurt poor children. Because the ability of the state to stand in loco parentis and to break the link between parent and child has necessarily been incomplete, children in public programs have always suffered for the deficiencies attributed to their parents.
>
> ... Yet we invest reluctantly in those [government] programs, clinging to a desperate wish that parents would adequately fulfill their private responsibilities and resenting their children for making demands on our private incomes. (p. 51)

Does the U.S. have any "public love" for children or must government commitments be based on a calculus of economic costs and benefits with a high return on public investment? A review of the justifications for expanded government programs suggests that "the solvency of the state is the goal that justifies the effort to transform a potential 'liability' into an asset, an independent taxpayer" (Grubb & Lazerson, 1982). Yet even if

children are most often valued in public programs not for the individuals they are, but as instruments for achieving other goals, the politics of the 1990s might be favorable for government initiatives.

The instrumental goals most often mentioned stem in part from the declining birthrates of well-off children and the rapid growth of low income children. This is leading to business concern about an adequate supply of educated labor as employers must turn to disadvantaged children for vacant positions. The present stress on quality education for minorities and the poor stems less from a recognition of a moral imperative, and more from a pragmatic calculation of our national self-interest than in the 1960s. Corporate and political leaders are acutely aware that the high school-age population is smaller and, further, that a large and fast-growing proportion consists of students disadvantaged by economic and social conditions well beyond their control. Concerned about the supply of skilled workers needed to maintain and increase the productivity and international competitiveness of the American economy, private sector executives and governmental officials are pressing the schools to cultivate the academic potential of each youngster. Moreover, the twin notions that the majority of students from poor and minority backgrounds are destined to fail, and that schools do not make a difference, have largely been abandoned.

Another widespread concern is who will pay for the social security benefits of the current baby boom generation in its 40s.

There is a curious reverse dependency model of the old relying on a productive youth. Moreover, costs of government welfare programs will increase in the 1990s if nothing is done to better educate the growing percentage of disadvantaged in our society. Consequently, despite the pessimism of authors like Grubb, children may fare better in the next decade than they have in the last one. Although federal programs have been cut and have a very limited future, state and local governments have financed a robust growth in education expenditures from 1983 to 1987 (Gold, 1988). The needs of a growing capitalist economy may coincide with the needs of disadvantaged children to have better health, education, and happy lives.

The 1960's government interventions were based largely on the moral imperative to win a war on poverty and overcome centuries of racial discrimination. These programs peaked when the nation's moral concern turned to the Vietnam War. A remnant of children's advocates left over from the 1960s pursued legal and legislative tactics that brought some crucial but incremental gains such as government aid for handicapped children in the 1970s. Legal gains increased in the 1980s when the Civil Rights Act was revised after the Grove City decision. Such plans were subdued, however, by the tax cutting fever of the late 1970s, and the major shift to defense expenditures under the Reagan Administration. The federal budget deficit implies more activity at the state level, but here as well, the responsibilities of government for disadvantaged children are unclear. Grubb and

Lazerson argue:

> The limits of parens patriae and instrumental concepts of children are the two most striking constraints on the fulfillment of our benevolent concern for the young. But public responsibility has also been corrupted by a lingering adherence to the ideology of parental determinism, the notion that parents alone determine the futures of their children. We continue to assert that parents raise their children privately and are wholly responsible for their successes and failures, despite the ubiquity of social institutions and public decisions in the lives of children. (p. 61)

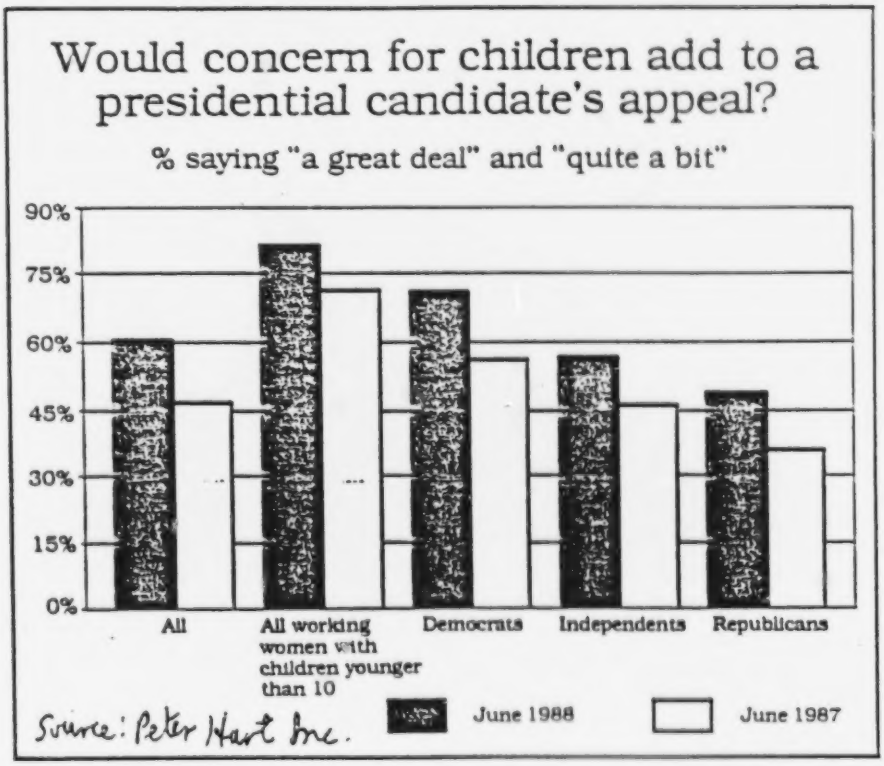
The legal theory supporting parental determinism reached its highwater mark in J.R. v. Parham (mid 1970s), where the U.S. Supreme Court concluded that parents virtually always act in the best interest of their children.

By the mid-1980s, however, public opinion polls registered dramatic increases in public concern about the condition of children, and a willingness to cut defense outlays to support children's programs. Political pollsters for presidential candidate George Bush, worried about a gender gap, found he did very poorly with married working women (Washington Post, 1988). Bush has proposed an expanded children's agenda beyond the Reagan Administration's base, including an earned income tax credit. Dukakis has endorsed a $2.5 billion Child Care bill that supports middle and lower class children. In short, children's issues have become good politics both for business needs to employ disadvantaged workers during a labor shortage, and the needs of women at all income levels for government assistance. The

(insert Figure 1 about here)

crucial political alliance of the middle class with the

Figure 1.


Would concern for children add to a presidential candidate's appeal?
% saying "a great deal" and "quite a bit"
90%
75%
60%
45%
30%
15%
0%
All
All working women with children younger than 10
Democrats
Independents
Republicans
June 1988
June 1987
Source: Peter Hart Inc.

disadvantaged might be at hand. An additional challenge will be to fashion appeals to the elderly for helping disadvantaged youth, because the percentage of elderly in the total population will continue to grow in the next decade.

But a dark cloud over any promising trends is the federal budget deficit that greatly constrains national expenditures for the forseeable future. Just as public opinion polls reveal an increased public willingness to pay for children's programs, the capacity at the federal level has been emasculated. State governments are facing increased expenditures for school enrollment growth and prisons. Can much be done without tax increases, a policy that seems remote?

This paper focuses mostly on federal policy with some attention to the states and localities. The two costliest government programs for children are schools and AFDC. Education is primarily a state and local responsibility with the federal expenditures limited to 6 percent. Welfare is funded primarily by the federal government. Consequently, a complete overview of government programs for the disadvantaged should include all government levels. School expenditures have risen faster than inflation in recent years and consumed an increased share of state general funds (Gold, 1988). AFDC has not kep pace with inflation in many states, but welfare reform concepts are gaining political momentum (McCroskey, 1988).

Another way to analyze programs for children is to examine their scope. All kids are in some type of child care arrangement

and most attend school between ages 5-15. All kids use some type of neighborhood recreational opportunities. Very few children utilize programs like foster care, mental health, children's protective services, and juvenile delinquency prevention. For example, in California 1 percent of all children are in foster care and another 1 percent are the subject of child abuse reports. This paper is concerned primarily with government programs targeted to disadvantaged youth. Another paper is needed to examine the multitude of private sector efforts to help disadvantaged children.

The Politics of Growth: The 1960's War on Poverty

A major improvement in federal programs for disadvantaged children took place in the 1960s. Federal aid for education skyrocketed as did efforts in the Office of Economic Opportunity and the Department of Labor. Major new programs were created, such as:

- Title I of ESEA
- Headstart
- Job Corps
- Comprehensive Health Services
- Medicaid
- Juvenile Delinquency Prevention
- Bilingual Education, Upward Bound
- Youth Employment Centers
- Summer Jobs for Youth
- Migrant Worker Education
- Women, Infant, and Feeding (WIC)
- Community Action

Existing federal programs like food stamps, public housing, and prenatal care were expanded. States like California began parallel efforts in such areas as compensatory education and pre-school All of these programs were reinforced by the passage and aggressive enforcement of civil rights laws. Federal policy focussed on concepts like targeted funds to the poor,

empowerment, community action, and civil rights. Equity was the key overarching priority. Nothing like it has been seen since and many annual funding battles for the poor still focus on the legislative base started in the 1960s. This was an era different from the depression because America as a whole was prosperous and not in need of a massive relief effort. Legislation and funding formulas were targeted to particular needy populations and sections of cities. The Southeast with its very high poverty concentrations was a major beneficiary. Funds were concentrated in relatively large amounts, and audits inhibited spreading the funds to the middle class.[4] From its inception the Title I program has not adequately targeted funds on the children from poverty families with the greatest educational needs. Despite the stated goal of reaching low scoring students in high poverty schools, hundreds of inner city middle and secondary schools that average in the bottom quartile of achievement and that graduate under 60 percent of their students do not have a Chapter I program because of insufficient funds. At the same time, in suburban systems throughout the nation, schools with fewer than 10 percent of the student body living in poverty receive Chapter I funds. In fact, as structured today, Chapter I programs do not serve 68.6 percent of the nation's poor students, 64.9 percent of American students achieving below the 25 percentile in achievement, 57.9 percent of poor and low achieving students, and even 55.1 percent of poor and low achieving students who are enrolled in Chapter I schools (Cooley, 1981; Carter, 1984;

Kennedy, Jung & Orland, 1986).

Initially, the War on Poverty could be financed from the "fiscal dividend" of a growing U.S. economy. Existing tax rates yielded more revenue because higher incomes pushed more taxpayers into higher brackets. Inflation was low and the international trade balance an invisible issue. It seemed that America could have it all.

But the party ended with the Vietnam buildup and inflationary pressures caused by financing a big domestic program and a huge war effort. Domestic programs for disadvantaged children peaked in 1967, and by 1968 poor people marched on Washington protesting the lack of progress and momentum. Desegregation of schools, however, kept going, leading the Nixon Administration to proposing an Emergency School Assistance Act in 1969 to help pay for the large scale desegregation of Southern schools.

The political rhetoric of the Johnson era featured compassion for the unfortunate, war on poverty, and the rights of racial minorities. There was some instrumental discussion of producing taxpayers rather than tax eaters, but less than one would expect given the magnitude of spending. Indeed, OEO and CAP featured empowerment of the poor, creation of minority politicians, welfare rights, and challenges to existing political machines like the one in Chicago. Education programs became festooned with school site parent advisory committees. Public housing tenants were organized and federal officials registered

minority voters and monitored elections.

The politics that enabled all this to happen were complex and multi-faceted. There was a growing economy, a federal budget surplus, a civil rights social movement, a committed President, and a landslide Democratic election in 1964. President Kennedy had been assassinated during a period of political stalemate on these issues, but by 1965 the political dam had burst. Public opinion was tolerant of redistributive politics and ready to end the less aggressive Eisenhower domestic policy stance. President Johnson assured the nation that we could have the Vietnam War and a War on Poverty with no tax increase. The American economy was peaking in its world ascendancy, based on our advantages from the Second World War.

The impact of this government expansion to help disadvantaged children is much in dispute. Sar Levitan and Charles Murray have written books 180° apart using various statistical indicators. Evaluations of individual programs are equally murky, with some authors proclaiming marginal success for Title I of ESEA (Murnane, 1988) and others calling it a failure despite the billions spent (Savage, 1987). Some authors claim Headstart has yielded gains of over $4 for every $1 invested (Schorr, 1988), while others produce data to demonstrate that the gains dissipated during elementary school (Westinghouse). Our concern is the political impact of this conflictual evidence. The results of such social interventions are rarely clear cut and can be used by both sides to buttress their political case.

Since data will not sustain the political momentum, external events must.

The Incremental Gains of the 1970s

By the 1970s the economic growth dividend had evaporated and the federal budget balance was not as favorable for expanded federal programs. The Nixon Administration had other priorities than disadvantaged children. A comprehensive child care bill was vetoed and a child care tax credit that primarily benefited the middle class was signed by President Nixon. Civil rights enforcement strategies became less aggressive, but the pace of school desegregation increased in the South. In 1972 the Supreme Court issued a landmark decision in a Texas school finance case which declared that poverty was not a suspect classification deserving higher scrutiny by the Courts under the 14th Amendment "Equal Protection" guarantee.

Some important new programs were passed, such as the Education for All Handicapped Act. It displayed the changed politics whereby disadvantaged children needed to ally with middle class children for similar benefits such as the Individualized Education Plan (IEP). This was the same alliance present in the Nixon-backed child care tax credit and signaled the end of a political strategy solely and overtly addressed to target groups of the poor, and the most depressed sections of the city or region. Benefits had to be spread more widely and the impact on the disadvantaged diluted. On the other hand, without middle class support, government programs for the disadvantaged

would have been even less.

During the 1960s and early 1970s, black political organizations had much more visibility than Hispanic groups. But as the Hispanic population grew, their voting strength became more noticeable in the Southwest. Following the issuance of a landmark memorandum to Chief State School Officers on May 25, 1970, HEW's Office for Civil Rights initiated a substantial effort to require the development of bilingual/bicultural education programs for hundreds of thousands of limited and non-English speaking children of Hispanic origin. By 1972, OCR had conducted over 40 investigations and had sent letters notifying over 350 school districts of their obligation under Title VI of the Civil Rights Act of 1964 to develop and implement such programs. Following a 1974 Supreme Court decision directly upholding HEW's May 25,1970 Memorandum (Lau v. Nichols), HEW's OCR issued a "Lau Remedies Memorandum" to school districts which specifically described the types of programs which must be developed to ensure non-discrimination.

But federal concern in the 1970s still focused on cities and the South. The Nixon Administration began to stress the politics of efficiency by trying to make the melange of federal programs work better through grant consolidation. CAP and Model Cities were disbanded as ineffective while Title I of ESEA was rewritten to focus the money more on low income schools.

By the end of the Nixon/Ford era, law suits had assumed more prominence. Politically supported lawyers used class action and

other devices to create new rights for children and strengthen enforcement of the numerous existing laws. Some of this activity focused on state governments in such areas as school finance reform and bilingual education. The strategy became less of seeking new breakthroughs through legislation and more the inventive use of court intervention. Congress dramatically expanded the groups of children covered by Federal civil rights laws but did not address the rights of "poor children." These laws included Title IX of the Education Amendments of 1972 (gender), Sections 504 of the Rehabilitation Act of 1973 (handicap), and the Age Discrimination Act of 1975. All in all, Congress passed over 30 new Federal civil rights statutes during the period 1970-1980. In part, the Nixon/Ford era was less enthusiastic about funding new programs and also there was a lot of legislation that was not being fully funded or enforced. In education, the Nixon Administration spawned the Coalition for Full Funding, whose goal was to hold the education gains made in the 1960s from fiscal reductions advocated by the Nixon Administration.

Interest groups grew up around each of the categorical programs leading to a phenomenon known as "hardening of the categories." These interest groups wanted to preserve separate funding streams and defeat block grants. This may have inhibited program coordination but it did help preserve the programs targeted to disadvantaged children. Ever since the early 1970s, the interest groups like Title I, handicapped, bilingual

education, and civil rights have been essentially playing defense, trying to preserve and incrementally advance the gains they made in the 1960s.

The Carter Administration attempted to revive the equity priority and mount new categorical programs for disadvantaged youth. A large scale effort to improve the transition of youth to work failed in the Congress. Stringent new regulations for bilingual education were also delayed by Congress and then rescinded by the Reagan Administration. By 1979, the momentum for new federal programs had waned, and the categorical interest groups had to settle once again for only marginal increases.

But the state governments were more active than ever before. Some major policy areas that signify the dramatic increase of state influence within the last two decade are the state administration of federal categorical grants, the state role in immunization, state specifications and programs for children with special needs, and state efforts to stimulate experimentation and innovation. Some state courts became active in ordering desegregation and used racial discrimination as a basis for ordering large scale improvement efforts (Gifford, 1988). These substantive changes were made possible in large part by an increase in the institutional capacity of states to intervene in local affairs. Thus, most state legislatures have added staff and research capacity, and they also meet annually or for more extended sessions than in earlier years. Legislators thus have the resources to formulate and oversee educational policy, and

governors now have their own education specialists and improved fiscal staffs. Moreover, during the 1970s the states diversified their tax sources and expanded their fiscal capacity.

For example, the capacity of state education agencies (SEAs) to intercede in local school policy has increased dramatically in the last 20 years. Ironically, the federal government provided the initial impetus for this expansion. The Elementary and Secondary Education Act of 1965 and its subsequent amendments required state agencies to approve local projects for federal funds in such areas as education for disadvantaged, handicapped, bilingual, and migrant children, and educational innovation. In each of these federal programs, 1 percent of the funds were earmarked for state administration. Moreover, Title V of ESEA provided general support for state administrative resources, with some priority given to state planning and evaluation. By 1972, three-fourths of the SEA staffs had been in their jobs for less than three years. All the expansion in California's SEA from 1964 to 1970 was financed by federal funds. In 1972, 70 percent of the funding for the state education agency in Texas came from federal aid. The new staff capacity was available for SEA administrators or state boards that wanted a more activist role in local education.

A further factor is the increased confusion among and decreased respect for traditional supporters of local control. Thus, local control advocates, such as teacher unions, school boards, and administrator association feud among themselves and

provide a vacuum that state control activists can exploit. These education groups cannot agree on common policies with their old allies such as parent organizations. Too, the loss of public confidence in professional educators and the decline of achievement scores cause many legislators to doubt that local school employees should no longer be given much discretion.

There has developed a key structural change in the growth and diversification of state tax sources. From 1960 to 1979, 11 states adopted a personal income tax, 9 a corporate income tax, and 10 a general sales tax. Thirty-seven states used all three of these revenue sources in 1979, compared to just 19 in 1969. Income taxes provided 35 percent of all tax revenue in 1978 compared to 19 percent in 1969. This diversification of the revenue systems provided the states with a capacity to increase services as evidence by Table 1.

(insert Table 1 about here)

The demand for equal education opportunity spawned new state programs for populations with special needs. States classify children in several ways and mandate services and standards for the various categorties of students. Some of these pupil classifications are vocational education, career education, the disadvantaged, migrants, underachievers, non-English speaking, American Indians, pregnant minors, foster children, delinquent children and 20 or more different categories of handicapped children.

Bilingual education statutes in 24 states by 1981 regulated

Table 1.

Government Expenditures From Own Funds
Selected Years

Year	Total	Federal	State	Local
	Public Sector Expenditures in Billions of Current Dollars			
1969	$285.6	$188.4	$49.6	$47.6
1979*	764.5	507.0	145.0	112.5
	Public Sector Expenditures as a Percent of GNP			
1969	30.5%	20.1%	5.3%	5.1%
1979*	32.2	21.3	6.1	4.7
	Public Sector Expenditures as a Percent of Personal Income			
1969	38.0%	25.1%	6.6%	6.3%
1979*	39.7	26.3	7.5	5.8

* = Estimated

Source: Adivsory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism, 1978-89 edition. Washington, D.C.: U.S. Government Printing Office, May 1979.

local teaching policy. Sixteen states started their own programs for compensatory education, building on the federal concept. Many states had established special education mandates prior to the passage of PL 94-142 in 1975, and Congress used some of these state laws as a model for the federal act. In short, in the 1970s, the stage was set for state leadership in the educational standards reforms of the 1980s. The federal role, however, was steady state with a growing clamor for decentralization and federal budget cuts by the incoming Reagan Administration.

The 1980s and Programs for the Disadvantaged

The advent of the Reagan Administration brought budget cuts and minor program consolidation. An analysis of changes from FY 1982 to FY 1988 reveals cutbacks in most categories with some notable exceptions such as child welfare services and WIC. Table 2 compares federal spending from 1981 to 1988 with the amount required to preserve the same level of real (after inflation) spending that took place in calendar year 1981 (fiscal year 1982 in federal budget terms).

(insert Table 2 about here)

The overall picture that emerges is no large scale elimination of programs, but rather incremental changes (mostly negative) within the existing melange of federal categories. In a somewhat unexpected outcome, however, there were some improvements in statutes concerning civil rights. For example, the Grove City decision resulted in an expansion of the civil rights legal base and Title 19 can be used for health services

Table 2.

CALIFORNIA

COMPARISON OF ACTUAL FEDERAL SPENDING TO 1981 POLICY LEVELS

GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS	FY 1982 - FY 1988 ACTUAL (1) ($ millions)	FY 1982 - FY 1988 CURRENT SERVICE (2) ($ millions)	CUMULATIVE CHANGE IN FEDERAL AID (3) ($ millions)
* EDUCATION			
Bilingual Education	206.28	336.67	-130.38
Drug Education	34.72	0.00	34.72
Educationally Deprived Children	2,616.25	3,098.89	-482.64
Education Block Grant	317.38	415.59	-98.21
Handicapped Education	841.80	813.27	28.53
Head Start	723.57	708.33	15.24
Impact Aid	394.46	559.30	-164.84
Libraries	76.21	70.97	5.24
Science and Math Education	30.25	0.00	30.25
Vocational and Adult Education	522.25	644.41	-122.17
* EMPLOYMENT AND TRAINING			
Employment for Older Americans	175.00	186.05	-11.05
Employment Services and U.I. Administration	1,592.58	1,962.72	-370.14
Job Training	2,303.25	6,392.21	-4,088.97
Work Incentives	199.96	415.92	-215.97
* HEALTH SERVICES			
Alcohol, Drug Abuse and Mental Health	652.16	893.95	-241.78
Health Resources	133.12	275.28	-142.16
Health Services	546.36	674.19	-127.83
Medicaid	17,118.17	18,641.20	-1,523.03
Preventive Health	112.05	132.44	-20.39
* NUTRITION			
Child Nutrition	2,646.55	2,656.17	-9.62
Elderly Feeding	69.93	57.30	12.63
Food for Women, Infants and Children	868.50	623.21	245.29
Special Milk	9.73	69.94	-60.21
* INCOME MAINTENANCE AND HUMAN SERVICES			
AFDC and Child Support Enforcement	13,458.66	14,794.79	-1,336.13
Child Welfare Services	955.90	804.48	151.42
Community Services	233.28	385.93	-152.65
Developmental Disabilities	38.01	39.44	-1.42
Homeless	19.54	0.00	19.54
Administration of Food Stamps	636.57	490.95	145.62
Juvenile Justice Assistance	73.09	134.65	-61.56
Low Income Energy Assistance	614.66	599.04	15.62
Narcotics Control	20.41	0.00	20.41
Rehabilitative Services	661.58	631.08	30.50
Social Services	1,969.87	2,206.21	-236.34
Special Programs for the Aging	438.86	506.52	-67.65
Subsidized Housing	529.19	913.75	-384.56

Prepared for AFSCME by Fiscal Planning Services, Inc., Washington, D.C.

CALIFORNIA

COMPARISON OF ACTUAL FEDERAL SPENDING TO 1981 POLICY LEVELS

	FY 1982 - FY 1988 ACTUAL (1) ($ millions)	FY 1982 - FY 1988 CURRENT SERVICE (2) ($ millions)	CUMULATIVE CHANGE IN FEDERAL AID (3) ($ millions)
PAYMENTS TO INDIVIDUALS			
Food Stamps	4,541.44	4,887.37	-345.94
Social Security -- Disability Insurance	12,494.94	12,655.89	-160.96
Social Security -- Retirement and Survivors	108,822.28	111,208.54	-2,386.27
Student Higher Education	2,460.49	2,718.51	-258.02
Supplemental Security Income	7,868.88	7,565.18	303.70
** TOTAL: PAYMENTS TO INDIVIDUALS **	136,188.01	139,035.49	-2,847.48
** GRAND TOTAL **	204,430.45	220,309.37	-15,878.92

NOTE: (1) Federal program dollars are measured in "obligations", which represent federal commitments for spending.
(2) Current service levels are an estimate of the dollar amount necessary in FY 1982 - FY 1988 to provide the same level of services as in the pre-Reagan FY 1981 base year.
(3) Real dollar changes are the difference between the FY 1982 - FY 1988 spending levels and the current service levels for the respective years.

Prepared for AFSCME by Fiscal Planning Services, Inc., Washington, D.C.

which are also covered by a handicapped child's IEP. The legal base is less of a constraint than the federal budget deficit. However, there are not many "big law suits" left that can lead to breakthroughs increasing federal responsibility for disadvantaged children.

Despite this less aggressive federal role, the major political change in the 1980s was a widespread realization that human capital is vital to America's economic growth and international competitiveness. This galvanized an alliance between big business groups like the Committee for Economic Development with advocates for disadvantaged children. Perhaps the most oncrete evidence of this philosophical agreement is in the 2987 CED report, Investing in Our Children. The underlying rationale here is that despite disagreements among experts on the nature of future jobs (e.g., high tech or deskilled), most analysts concur that many disadvantaged children lack the "threshold skills" to be productive (Murnane, 1988). There is as much concern about the quality of workers on the shop floor as there is about the engineers. The key cognitive skills appear to be the ability to understand directions in manuals, to ask questions, to assimilate and synthesize information, and to solve problems that occur during the normal working day. In the labor scarce economy of the 1990s, many employers will need to hire workers who began life as disadvantaged children. While extremely high scores on standardized tests may not be required for productive performance in the labor force, threshold levels

of literacy and problem solving skills will be.

The Congressional Office of Technology Assessment projects that the labor force will grow by only 1 percent annually in the 1990s, compared to an annual rate of 3 percent in the 1970s. There will no longer be many qualified applicants for most entry level jobs. Consequently, the skill levels of the 20 percent of children born in poverty must be upgraded to help the U.S. economy be productive (Murnane, 1988).

Another potential alliance encompasses advocates for disadvantaged children and women's groups. For example, women's groups and disadvantaged children advocates share concern about child care, parental leave, welfare reform for female headed families, Medicaid extension to poor pregnant women and young children, the WIC program, and fair housing for families with children. Since poverty is now disproportionately a women's and children's issue, the anti-poverty lobbies can say redistribution of income is not the issue, but children are. Child care can be blurred as an economic and tax issue rather than one of rights and benefits.

But political coalitions between the young and old should not be ignored. Small scale programs like using grandparents in child care and other ways to involve older people in helping disadvantaged children can help. But again, the instrumental argument about economics may be more potent -- who will contribute to the social security fund to pay for elderly benefits if the economy is not productive because of unproductive

workers?

Whatever coalitions emerge, federal budget deficits will present a major problem. Some programs like health insurance might be transferred to employer financing. But many disadvantaged children need a number of public services including health, education, nutrition, counseling, and child care. The overall condition of these children must be improved and reinforced by committed parents. This implies large sums of money that do not seem likely at the federal level or in many states confronted by low commodity prices and slow growth. Consequently, the current fashion is to talk about "leverage" and "partnership" interventions. Education leverage programs with relatively low cost include better teacher recruitment, teacher in-service training, test development, and curriculum revision. Partnerships could encompass not only public agencies with business, but also with private children's providers like Boys' Clubs, the YWCA, and churches. But expanding Headstart beyond the 17 percent of children it covers now to all eligible children could cost $4 billion. Expanding comprehensive child care approaches like Headstart to the middle class could cost as much a $75 billion. Moreover, it is difficult to measure the outcomes from increased children's services because agencies like children's protective agencies do not keep outcome statistics.

Improving Government Effectiveness

Translating new political coalitions into effective

government programs that engender widespread public support will not be easy. First, one must confront the fragmentation and dysfunctions evident in existing service delivery systems for disadvantaged children. Indeed, the current non system is so inadequate that it inhibits favorable political trends for more funding. A study of children's services in California concluded:

> Institutions tend to treat problems as acute rather than chronic, as episodic rather than continuing, and dc not regard themselves as learning environments that can involve children. Hence services tend not to build on each other or acknowledge nonformal child-selected resources, because of the mechanistic approach that comes from assuming a linear developmental path and adults as fixers of children's problems. Public and private services do not follow the life course of a vulnerable child who is born with medical problems and grows up in a disadvantaged home....
>
> Consequences of a system of children's services that are defined by administrative regulations and conceptions of "turf" as articulated in isolation by physicians, educators, judges, social workers, counsellors, nutritionists, and other professionals are more than simply exasperating or inefficient. Because of changed family patterns, changed demographics and changes in the economic order, these system characteristics signal the fundamental inability of California's existing children's services to adequately support the healthy, productive development of its young people. The system, many professionals and analysts agree, is beyond fixing with a bit of this improvement and some of that innovation. It is in need of fundamental rethinking (McLaughlin and Heath, 1988).

In part, simple availability of counseling, health, nutritional, youth-justice, employment, and educational services in one location might help. Probably, however, something more intense than a "shopping mall" constituted of social agencies on school grounds will be necessary. A mechanism is needed to coordinate the diagnosis and treatment of children's social pathologies on a case-by-case basis that follows the progress of

the child for many years.

The removal of the Education Department from Health, Education, and Welfare has exacerbated the fragmentation at the federal level. The federal government has no overall spokesman for children as it does for schooling or health. States and localities cannot coordinate the fragmented federal programs. What might be done about this? First, the White House could develop a children's policy and provide coordination through the Domestic Policy Council in the Executive Office of the President. Second, federal incentive grants could be provided to states and localities that construct integrated children's services and case-management techniques. Third, the Education Department could help design strategies for the school site to be a "broker" for numerous children's services, including alliances with private groups.

Even if these overall system problems can be overcome, there are deep-rooted political obstacles in many individual government programs. For example, in child care:

> Achieving a consensus broad enough to expand and nationalize federal support will first require the resolution of three dilemmas which have marked the entire history of child care: Our attitudes toward maternal employment, the confused purposes of child care, and the roles of professionals (Grubb & Lazerson, p. 217).

The 1988 child care bills are stalemated in Congress because of objections concerning the role of private schools in receiving government funds. This dispute has split children's groups, with the NEA opposing the Children's Defense Fund. But even these enduring dilemmas can be surmounted if the political demand from

working families is strong enough. Some priority for disadvantaged children in such an outcome is possible, but a political unknown is whether child care is more about satisfying adult needs rather than providing a quality experience for children.

Some of the political obstacles are enhanced by critical gaps in data and standards. We do not have national standards for many children's outcomes like mental health, child abuse, and child care. We know a great deal more about the conditions of the administrative system to serve children than the conditions of the children in those systems. For example, how does a "low quality" child care center affect a child. Education has by far the best data system for any area of children's services.

Looking to the Future

Will the potential broad-based coalition of business, women's groups, some senior citizens, and children's service providers materialize? If such a coalition does form, will it be able to overcome budget deficits? Can priorities be reorganized so that disadvantaged children can receive more of the existing government pie or is a tax increase necessary? What is the likely impact of small scale leverage and partnership approaches? If more government programs are created or expanded, can the existing delivery system improve the condition of disdadvantaged children? How would we know that positive children's outcomes have occurred? Can the existing array of govenment programs be

made much more effective through such devices as case managers and integrated services? These are some of the key political questions that must be answered.

This paper alternates between hope and gloom about the prospects. There is no clear cut trend, but instrumental motives will probably be the key motivation for any change. No new war on poverty seems likely very soon as the catalytic force. Rather, child advocates are featuring high payoff ratios, e.g., every dollar invested in Headstart yields over $4 in public benefits. How will these concepts appeal to the key voting blocs, particularly the growing proportion of elderly? Public opinion polls continue quite favorable -- almost two-thirds of the public say they are more willing to pay more taxes for improved education. But less than a majority of the public would spend more for students with learning problems.

(Insert Table 3 here)

These general expressions of public support, however, are difficult to convert into concrete government programs, especially when the federal deficit is so large. This implies strategies to leverage state and local funds through the federal bully pulpit. The 1983-87 increases of over 20 percent after inflation in school finance, was funded by a state increase of 41 percent, a local increase of 29.5 percent, and a federal increse of 17 percent that lagged behind inflation (Gold, 1988). School finance spending increases, however, are very uneven because many states had weak economies from 1983-87 or did not place a high

Table 3.

Higher Taxes for School Improvement

This year's Gallup survey reveals a statistically significant increase in public willingness to pay more taxes to help raise the standards of education in the U.S. since the same question was first asked in 1983. Today, 64% of respondents say they are willing to pay more taxes for this purpose; 29% are opposed. Comparable figures for 1983 were 58% in favor and 33% opposed. This willingness to pay for better education characterizes every demographic and regional group of respondents. It is interesting to note that the group that most strongly favors raising taxes in order to raise educational standards (75% in favor) is the group with household incomes of $40,000 or more.

The question:

Would you be willing to pay more taxes to help raise the standards of education in the United States?

	National Totals %	No Children in School %	Public School Parents %	Nonpublic School Parents %
Yes	64	61	73	68
No	29	31	23	30
Don't know	7	8	4	2

	National Totals	
	1988 %	1983 %
Yes	64	58
No	29	33
Don't know	7	9

Spending More for the Slow and the Gifted

Since 1982 poll respondents have been asked three times how they feel about special programs for two groups of students: children with learning problems and children who are especially gifted or talented. No particular trends in public opinion are apparent across the three polls.

As a nation, we are still divided on the question of spending more money to help children with learning problems: 48% would spend more on children with learning problems than we spend on average children; 45% would spend the same amount. There is considerable opposition to spending more for the education of the gifted and talented than we spend for the education of average children: only 25% would spend more for gifted children than for average children, while 63% would spend about the same amount, and 7% would spend less. Public school parents, nonpublic school parents, and people with no children in the schools tend to agree on this point.

The first question:

How do you feel about the spending of public school funds for special instruction and homework programs for students with *learning problems*? Do you feel that more public school funds should be spent on students with learning problems than on average students — or about the same amount?

	National Totals %	No Children in School %	Public School Parents %	Nonpublic School Parents %
Spend more	48	48	48	44
Spend same amount	45	44	47	46
Spend less	2	3	2	6
Don't know	5	5	3	4

	National Totals		
	1988 %	1985 %	1982 %
Spend more	48	51	42
Spend same amount	45	40	48
Spend less	2	2	4
Don't know	5	7	6

The second question:

How do you feel about the spending of public school funds for special instruction and homework programs for *gifted and talented students*? Do you feel that more public school funds should be spent on gifted and talented students than on average students — or about the same amount?

	National Totals %	No Children in School %	Public School Parents %	Nonpublic School Parents %
Spend more	25	24	27	24
Spend same amount	63	63	65	66
Spend less	7	7	6	6
Don't know	5	6	2	4

	National Totals		
	1988 %	1985 %	1982 %
Spend more	25	30	19
Spend same amount	63	58	64
Spend less	7	5	11
Don't know	5	7	6

Source: George Gallup, "The 20th Annual Gallup Poll of the Public's Attitudes Toward the Public Schools," Phi Delta Kappan, September 1988, p. 38.

priority on education. Only national action can provide a more uniform policy. Recent federal legislation to improve AFDC may benefit children as mothers obtain jobs and more absent fathers must provide child support. But AFDC payment levels vary greatly among the states, so a differential local impact is likely.

Bush and Dukasis have lengthy issue papers on investing in children, including laundry lists of improved programs for the disadvantaged. Despite the 1988 political campaign focus on children and family issues, federal children's programs received only modest budget increases for fiscal 1989 except for immunization and food stamps. Perhaps more money would be provided if politicians thought programs like Chapter I of ESEA were effective and had a long run impact on children's educational attainment. Incrementalism within the existing program base, however, is the most likely scenario. This implies that non-incremental improvements in the design and delivery of the existing melange of children's services must be pursued more aggressively. Schorr's recent book stresses that effective government services are comprehensive, continuous, and intensive (Schorr, 1988). The existing delivery system is a long way from these standards but would be improved by closer linkages with private providers. In some localities, a sufficient supply of services exists between the public and private sectors, but no one can put the pieces together.

State governments are beginning to mount small programs to help "at risk" children. For example, while the state

governments have poured funds into education reform for all pupils, a recent report by MDC Inc. reported that:

> Some 45 states report having legislation that addresses the problems of at-risk children. But most of it is piecemeal in nature, typically supporting a limited number of pilot programs.
>
> With awareness has come a good deal of casting about by the states, almost all of it characterized by a certain haphazardness, not necessarily indicating lack of direction as much as lack of central planning purpose ... no single state has an overarching policy addressed to at-risk, school-aged youth (Olson, 1988).

The MDC study estimates that only 5 percent of state education funds "are being used specifically for service to at-risk youth." As an overall grade, MDC says the states are "still failing but at least beginning to pay attention in class."

In sum, there is an urgent need to translate the heightened political concern about the disadvantaged into political action. Only a coalition of public and private groups can meet the challenges. Funding must come from all levels of government and be combined with the private sector. A national consensus among various leadership groups appears to favor intensive early childhood intervention for disadvantaged children. But there is no consensus on a second wave of education reform as concepts like restructuring or professionalism fail to generate political momentum (Kirst, 1988). Perhaps what is needed is a paradigm shift to children's policy that transcends the individual delivery systems such as schools or health agencies. Many disadvantaged children have multiple needs that cannot be met by any single public or private institution. Only by a

comprehensive approach that follows the life course of a child can we make a big difference.

Despite a diversity of government programs, there is a lack of services to prevent major problems from occurring. Most services focus on dealing with a significant problem after it is evident. Impoverished children, for example, spend twice as many days in the hospital as children from non poor families. There are very few public or private services for children ages 1 to 4 outside of the family. Rarely do services follow children over a long period of their lives once they have experienced initial difficulty. Children's services lack continuty and comprehensiveness.

By the end of the 1988 Presidential race a Wall Street Journal (1988) review stressed that the urban poor were "generally neglected in the campaign and the cities 'forgotten'." Democratic pollster Peter Hart noted that "to be able to win states, there weren't enough votes in the major cities to do it" (Wall Street Journal). For example, Chicago's share of the Illinois vote declined to 25 percent in 1984 from 41 percent in 1952. National policies for the disadvantaged appear to depend on coalitions with the middle class.

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